

MOPAC EMPLOYEES FEDERAL CREDIT UNION

**P. O. BOX 205 200 S. QUEEN
PALESTINE, TEXAS 75802**

**Mrs. Bernice Carrell, CEO
T.R.A.I.N. 800 553-0876
Fax (903) 723-7336**

**Telephone (903) 729-3226
Toll Free 866-MOPAC-CU**

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Board of Governors of the Federal Reserve
20th and C Streets NW
Washington, DC 20551

Gentlemen:

We are writing to express our opinion on Reg Z changes in regards to the Credit Card Act. We cannot begin to express what a burden this has been. First of all, to our members.

The later part of July we were notified that our Sponsoring Company was discontinuing payroll deductions. This change not only affected the majority of our member's method of payment but also changed loan payment due dates. The member has been confused as to how their loans will be paid, as well as frustration in canceling payroll deductions, setting up direct deposit and having to sign loan documentation. It has been a burden to change their open end loans.

Now, we must notify them of the change to monthly payments, instead of their semi-monthly payments and changing the due date again to reflect the 21 day notice. This will mean extra interest the member will be paying.

The additional cost to the Credit Union from our data processor, additional postage, notifications, and employee cost ultimately affects our bottom line,; which, affects the dividends our members receive. Anyway you look at it, it has a negative impact to our members.

Why are we being penalized if we do not participate in credit card practices, such as over limit fees and increase in interest rate due to a late payment. Why does this apply to open end lending, which has worked successfully for

many, many years, when the Act was directed to Credit Card lending? And, why were we not given sufficient time to comply?

The motto of Credit Unions has been “People Helping People.” As a Credit Union with an asset size of \$13,580,431 we strive to serve all 2469 of our members. It is our opinion that this CARD Act will be more burdensome than helpful to our members.

Sincerely,

Bernice Carrell, CEO